

## Rural Utilities Service, USDA

## § 1744.201

(2) If borrower's bank is not a member of the Federal Reserve System, the name and address of its correspondent bank that is a member of the Federal Reserve System.

(3) American Bankers Association (ABA) nine digit identifier of the receiving banks (routing number and check digit).

(4) Borrower's bank account title and number.

(5) Any other necessary identifying information.

[54 FR 12186, Mar. 24, 1989. Redesignated at 55 FR 39395, Sept. 27, 1990, and amended at 58 FR 66257, Dec. 20, 1993]

### § 1744.69 [Reserved]

### Subpart D [Reserved]

### Subpart E—Borrower Investments

SOURCE: 58 FR 52642, Oct. 12, 1993, unless otherwise noted.

#### § 1744.200 General statement.

(a) RUS telephone borrowers are encouraged to utilize their own funds to participate in the economic development of rural areas, provided that such activity does not impair a borrower's ability to provide modern telecommunications services at reasonable rates or to repay its indebtedness to RUS and other lenders. When considering loans, investments, or guarantees, borrowers are expected to act in accordance with prudent business practices and in conformity with the laws of the jurisdictions in which they serve.

(b) This subpart E applies to both RUS and RTB borrowers. For the purposes of RTB borrowers, as used in this subpart E, if a borrower has received a loan from the RTB, RUS means RTB, and Administrator means Governor unless the text indicates otherwise.

#### § 1744.201 Definitions.

As used in this subpart:

*Administrator* means the Administrator of the Rural Utilities Service (RUS) and, as provided in §1744.200(b), the Governor of the Rural Telephone Bank (RTB).

*Advance* means any funds provided of which repayment is expected.

*Affiliated company* means any organization that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the borrower.

*Borrower* means any organization which has an outstanding loan made by RUS or RTB, or guaranteed by RUS, or which is seeking such financing.

*Extension of credit* means to make loans or advances.

*Guarantee* means to undertake collaterally to answer for the payment of another's debt or the performance of another's duty, liability, or obligation, including, without limitation, the obligations of affiliated companies. Some examples of such guarantees would include:

(1) Guarantees of payment or collection on a note or other debt instrument;

(2) Issuing performance bonds or completion bonds; or

(3) Cosigning leases or other obligations of third parties.

*Maximum investment ratio* means that the aggregate of all qualified investments by the borrower including the proposed qualified investment shall not be more than one-third of the net worth of the borrower.

*Minimum total assets ratio* means the borrower's net worth is at least twenty percent of its total assets including the proposed qualified investment.

*Net plant* means the sum of the balances of the following accounts of the borrower:

Account Names	Number
(1) Telecommunications plant in service	2001
(2) Property held for future telecommunications use	2002
(3) Telecommunications plant under construction-short term	2003
(4) Telecommunications plant under construction-long term	2004
(5) Telecommunications plant adjustment	2005
(6) Nonoperating plant	2006
(7) Goodwill	2007
(8) Less accumulated depreciation	3100 through 3300s
(9) Less accumulated amortization	3400 through 3600s

NOTE: All references to account numbers are to the Uniform System of Accounts (47 CFR part 32).

*Net worth* means the sum of the balances of the following accounts of the borrower: